

on record as favoring policies with respect to the disposition of rights in inventions which would speed and improve the national space program by granting the National Aeronautics and Space Administration a greater flexibility in negotiating its research and development contracts and assure that agency uninhibited access to the best scientific and technical talent available with a minimum of delay.

The President and his advisers have taken due recognition of the investigations and reports of our subcommittee. In addition the advice and counsel of executive agencies has been sought and given careful consideration.

The President's policy—issued for the guidance of executive departments and agencies—will protect the equities of the parties to Government research and development contracting. It will provide for the flexibility so necessary to the successful accomplishment of the differing missions and statutory responsibility of the departments and agencies engaged in research and development.

More important it provides for a "licensing policy with necessary exceptions"—which I hope will be implemented by executive agencies without delay.

The policy statement recognizes the common ground so many have worked so long and hard to identify in this controversial issue, first that a single presumption of ownership does not provide a satisfactory basis for governmentwide policy and second that the Government has a responsibility to see that there is optimum utilization of the technology resulting from some \$15 billion worth of federally funded research and development so as to provide for continued economic growth and expanded employment opportunity.

I would particularly commend the President's Statement of Government Patent Policies to the agencies of Government now evolving areas of scientific and technical investigation and to the committees of Congress who have before them legislation to authorize new or expanded programs of Federal research and development. I am confident that this equitable policy will garner increasing support as it is put into practice and becomes generally known to the industrial research community.

We in the Congress have an awesome responsibility with regard to the President's policy and the overall Government patent policy issue. There are still on the books statutory provisions requiring restrictive patent practices in the space program which in the opinion of the Science and Astronautics Committee:

Damage small business, cost the taxpayer money, dilute the national effort to be first in space and waste the products of scientific research as a result of the reluctance to market new inventions without the necessary patent protection,

Congress is free to work its will on matters of patent policy legislation and has now the added advantage of a positive statement of policy from the executive branch.

I ask that the President's memorandum and attached Statement of Govern-

ment Patent Policy be included at this point in the RECORD.

FOLLOWING IS THE TEXT OF A MEMORANDUM FROM THE PRESIDENT ADDRESSED TO THE HEADS OF THE EXECUTIVE DEPARTMENTS AND AGENCIES ON GOVERNMENT PATENT POLICY WITH STATEMENT ATTACHED

Over the years, through executive and legislative actions, a variety of practices has developed within the executive branch affecting the disposition of rights to inventions made under contracts with outside organizations. It is not feasible to have complete uniformity of practice throughout the Government in view of the differing missions and statutory responsibilities of the several departments and agencies engaged in research and development. Nevertheless, there is need for greater consistency in agency practices in order to further the governmental and public interests in promoting the utilization of federally financed inventions and to avoid difficulties caused by different approaches by the agencies when dealing with the same class of organizations in comparable patent situations.

From the extensive and fruitful national discussions of Government patent practices, significant common ground has come into view. First, a single presumption of ownership does not provide a satisfactory basis for governmentwide policy on the allocation of rights to inventions. Another common ground of understanding is that the Government has a responsibility to foster the fullest exploitation of the inventions for the public benefit.

Attached for your guidance is a statement of Government patent policy, which I have approved, identifying common objectives and criteria and setting forth the minimum rights that Government agencies should acquire with regard to inventions made under their grants and contracts. This statement of policy seeks to protect the public interest by encouraging the Government to acquire the principal rights to inventions in situations where the nature of the work to be undertaken or the Government's past investment in the field of work favors full public access to resulting inventions. On the other hand, the policy recognizes that the public interest might also be served by according exclusive commercial rights to the contractor in situations where the contractor has an established nongovernmental commercial position and where there is greater likelihood that the invention would be worked and put into civilian use than would be the case if the invention were made more freely available.

Wherever the contractor retains more than a nonexclusive license, the policy would guard against failure to practice the invention by requiring that the contractor take effective steps within 3 years after the patent issues to bring the invention to the point of practical application or to make it available for licensing on reasonable terms. The Government would also have the right to insist on the granting of a license to others to the extent that the invention is required for public use by governmental regulations or to fulfill a health need, irrespective of the purpose of the contract.

The attached statement of policy will be reviewed after a reasonable period of trial in the light of the facts and experience accumulated. Accordingly, there should be continuing efforts to monitor, record, and evaluate the practices of the agencies pursuant to the policy guidelines.

This memorandum and the statement of policy shall be published in the Federal Register.

#### STATEMENT OF GOVERNMENT PATENT POLICY BASIC CONSIDERATIONS

A. The Government expends large sums for the conduct of research and develop-

ment which results in a considerable number of inventions and discoveries.

B. The inventions in scientific and technological fields resulting from work performed under Government contracts constitute a valuable national resource.

C. The use and practice of these inventions and discoveries should stimulate inventors, meet the needs of the Government, recognize the equities of the contractor, and serve the public interest.

D. The public interest in a dynamic and efficient economy requires that efforts be made to encourage the expeditious development and civilian use of these inventions. Both the need for incentives to draw forth private initiatives to this end, and the need to promote healthy competition in industry must be weighed in the disposition of patent rights under Government contracts. Where exclusive rights are acquired by the contractor, he remains subject to the provisions of the antitrust laws.

E. The public interest is also served by sharing of benefits of Government-financed research and development with foreign countries to a degree consistent with our international programs and with the objectives of U.S. foreign policy.

F. There is growing importance attaching to the acquisition of foreign patent rights in furtherance of the interests of U.S. industry and the Government.

G. The prudent administration of Government research and development calls for a Government-wide policy on the disposition of inventions made under Government contracts reflecting common principles and objectives, to the extent consistent with the missions of the respective agencies. The policy must recognize the need for flexibility to accommodate special situations.

#### POLICY

SECTION 1. The following basic policy is established for all Government agencies with respect to inventions or discoveries made in the course of or under any contract of any Government agency, subject to specific statutes governing the disposition of patent rights of certain Government agencies.

#### (a) Where—

1. A principal purpose of the contract is to create, develop or improve products, processes, or methods which are intended for commercial use (or which are otherwise intended to be made available for use) by the general public at home or abroad, or which will be required for such use by governmental regulations; or

2. A principal purpose of the contract is for exploration into fields which directly concern the public health or public welfare; or

3. The contract is in a field of science or technology in which there has been little significant experience outside of work funded by the Government, or where the Government has been the principal developer of the field, and the acquisition of exclusive rights at the time of contracting might confer on the contractor a preferred or dominant position; or

#### 4. The services of the contractor are:

(i) for the operation of a Government-owned research or production facility; or  
(ii) for coordinating and directing the work of others,

the Government shall normally acquire or reserve the right to acquire the principal or exclusive rights throughout the world in and to any inventions made in the course of or under the contract. In exceptional circumstances the contractor may acquire greater rights than a nonexclusive license at the time of contracting, where the head of the department or agency certifies that such action will best serve the public interest. Greater rights may also be acquired by the contractor after the invention has been identified, where the invention when made in

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the pace for a positive, internal, travel promotion program.

The "See the USA" program will benefit all those either directly or indirectly allied to the travel business in the United States, thus, not only helping alleviate the balance-of-payments problem but helping the general economy of our Nation.

Travel is a service business and employs millions of workers. In some instances highly skilled workers are not needed. Therefore, the more we can motivate our citizens to travel the more demand for services will be placed on those businesses serving the traveler. As a result, more service-type jobs will be created thereby aiding the general economy of the Nation.

The U.S. Travel Services' program designed to invite nonnationals to visit the United States is an important ingredient in easing the balance-of-payments problem. The National Association of Travel Organizations has given the USTS complete support and will continue to do so.

However, the great massive travel market is here in the United States. The job needed to be done to help both the balance of payments deficit and the overall U.S. economy is one which will set in motion positive U.S. travel promotion that will entice U.S. citizens to see the United States—those who already travel and those who do not travel. The "See the USA" program will do just that.

The entire travel industry will have to gear up to the job to be done. Congress working through this subcommittee can blend its efforts in leading leadership and support on behalf of the Presidential request and the U.S. travel industry in not only recognizing travel as an industry, but giving it the legislative support it so sorely needs.

The National Association of Travel Organizations looks forward with anticipation in cooperating with the travel subcommittee and respectfully urges that an adequate appropriation be set aside for a very necessary travel survey and other activities of the subcommittee.

## PROHIBITING TRADE WITH CUBA

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. "Mr. Speaker, you will recall that on September 17 I introduced a bill in the House, H.R. 8464, to prohibit certain vessels which engage in trade or commerce with Cuba from entering ports of the United States. The purpose of this legislation, as you know, is to assist in blocking controls against Cuba by imposing restrictions on those captains, vessels, and corporations from foreign nations who do business with Castro by preventing them from calling at U.S. ports. It is heartening to me to know that United States-owned and controlled oil companies have volunteered to refrain from furnishing bunkers to vessels and aircraft determined to be in the Cuban trade. Free world shipping available for service to Cuba has dropped nearly 70 percent in the first 8 months of 1963 as compared to the same period in 1962. I have been informed by the State Department. Free world ships paid only 28 calls to Cuba in August, a marked decrease over the 45 calls made in July, and the lowest monthly figure since March.

The State Department advises me that the earlier increases were related to the seasonal export of sugar, and many ships arrived in Cuba in ballast. As a result

of cooperative action, a great many responsible firms have been getting their ships out of Cuban trade as soon as existing charters expire. Shipping to Cuba has thus become more and more restricted to the small firms having commerce with the United States and firms with vessels under long-term charter to the Sino-Soviet bloc. It is this shipping that my bill is designed to affect.

Greece once had many ships in the Cuban trade and has taken strong steps to withdraw them. The number of Greek ships going to Cuba in August decreased two-thirds of the number calling in July. The royal decree which was issued by the Greek Government on March 20, 1963, prohibiting Greek-flagged vessels from carrying cargoes to Cuban ports, except under preexisting charters, certainly accounted, to a large measure, for the results, the State Department advises me. I was pleased to be informed by the State Department that as a further measure in reducing shipping in the Cuban trade, Greece on September 25 banned the ships sailing under her flag from carrying cargo from Cuba. Under the decrees issued by the Greek Government, ships violating such decrees would be subject to criminal penalties and violating ship captains subject to loss of license.

The purpose of my remarks, today, is to call attention to the House of a further restriction imposed by the Greek Government under date of October 4.

The Royal Greek Embassy Press and Information Service has issued a statement which says:

The Royal Greek Embassy announces that the Greek Government has taken additional executive measures designed to curb all shipments by Greek vessels to and from Cuba. By virtue of a royal decree issued on March 12, 1963, Greek vessels are prohibited from carrying cargo of any kind to Cuban ports, with the exception of ships under long-term charter contracted prior to the promulgation of that decree.

A royal decree issued on September 21, 1963 banned all vessels flying the Greek flag from carrying any kind of cargo from Cuban ports. Exception is only being made for sailings based on charters contracted prior to the promulgation of this decree.

These executive measures are supplementing the solemn pledges taken in October 1962 by the Associations of Greek Shipowners of New York, London and Athens as well as by the Greek Federation of Maritime Unions, to abstain totally from transportation of any cargo whatsoever to and from the island of Cuba.

We are all aware that continued United States isolation efforts are making Cuba increasingly expensive to maintain for the Communists. The Soviets are spending between \$200 and \$300 million annually in order to keep the Cubans supplied with food and materials basic to the economy.

The continued isolation of Cuba is showing its effect in making the Soviet investment in Cuba extremely costly.

I am hopeful that the Committee on Foreign Affairs will report my bill favorably because I believe that it is consistent with U.S. policy in imposing these severe economic restrictions on those countries continuing to do business with Communist Cuba.

I would also commend attention of the House to the following editorial that appeared in a recent issue of the Miami Herald with regard to my bill:

[From the Miami (Fla.), Herald]

A WAY TO STOP SHIPS TO CUBA

A get tough bill to impose penalties on shipping companies doing business with Communist Cuba has been offered by Representative CLAUDE PEPPER.

The measure bans all ships of any such company from entering any American port until the President proclaims that Cuba is no longer Communist dominated.

The Miami Congressman's proposal joins three others in the House and at least one in the Senate demanding stronger action against the suppliers of Castro and his Soviet bosses.

They indicate a rising resentment over apparent temporizing with the Communist occupation.

Powerful support for action by Congress was given recently by Ralph E. Casey, president of the American Merchant Marine Institute.

Mr. Casey said the Government's present policy of blacklisting individual ships that carried cargo to Cuba is "less than a half-way measure."

"It is high time," he wrote Congress, "that we arrested the steady buildup of economic power in Cuba with the help of our traditional friends."

Representative PEPPER's bill would make it clear we intended to do that. It would be a sharp prod to the Government which seems to get nowhere with its anti-Castro measures.

## GOVERNMENT PATENT POLICY

(Mr. DADDARIO asked and was given permission to address the House for 1 minute and include extraneous matter.)

Mr. DADDARIO. Mr. Speaker, I want to call the attention of the Members of the House to an important and, in my opinion, realistic memorandum from the President of the United States to the heads of executive departments and agencies with respect to Government patent policy.

With the memorandum the President is issuing for the first time, a comprehensive statement of the Government's policy with respect to the disposition of inventions developed in the course of Federal research and development contracting.

I am favorably impressed with the overall tone and objectives of the statement. This is a most complex and difficult problem and one which has been under intensive investigation since 1959 with respect to its relation to the space program by the Committee on Science and Astronautics, and more particularly, the Special Subcommittee on Patents and Scientific Inventions which I had the privilege of chairing.

Our study of this issue, during which we heard from hundreds of competent and qualified witnesses, has resulted in our twice reporting legislation to the House calling for a truly flexible policy which will effectively protect the rights of the public and the equities of the industrial community under Government contracts. The House, in 1960, overwhelmingly approved the recommendations of the Science and Astronautics Committee in passing legislation to amend the patent provisions of the 1958 Space Act. In so doing this body went